

Economic Impact of Lawrence Smoke-Free Ordinance

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Part 1 Background

- 1. Tobacco Use is Most Preventable Cause of Death and Disease in Kansas
- Secondhand Smoke Poses As Serious Health Risks as Smoking
- 3. CDC Best Practice Tobacco Use Prevention Strategy Includes Clean Indoor Air Laws



Tobacco Use: Most Preventable Cause of Death and Disease in Kansas

One in five Kansas adults currently smoke.

- One in four high school students use tobacco.
- In Kansas, over 3300 adults (35 years and older) die each year from smoking.

 Kansas women had 13.5% increase in smoking-attributable morality rates,
2000 - 2004 as compared to 1996 -1999.



Secondhand Smoke (SHS) Poses Serious Health Hazards

US Surgeon General (2006) gives clear message that SHS causes premature death and disease in adults and children.

No safe amount of SHS, according to Surgeon General.

Exposure can lead to asthma, heart disease, ear infections, respiratory illness, and cancer.



Comprehensive Tobacco Use Prevention Includes Smoking Bans

Most effective prevention strategies are comprehensive (American Cancer Society)

- Public education
- Community- and school-based programs
- Cessation programs
- Restricting smoking at worksites
- Increasing tobacco taxes.



Comprehensive Tobacco Use Prevention Includes Smoking Bans

 KDHE Tobacco Use Prevention Program, (TUPP)

Works with state and local partners

 Promotes interventions consistent with the CDC's best practices in tobacco control, including clean indoor air laws.



Part 2

Economic Impact of Lawrence Smoking Ordinance



Smoke-Free Ordinances

State and local decision makers across the country are implementing policies to protect their constituents.

Many states, counties and municipalities have adopted smoke-free laws and ordinances.

Those policies, according to recent studies, are having a positive impact on the health of those they were designed to protect.



State Smoke-Free Ordinances

35 states passed clean air legislation.
Kansas Legislature rejected statewide clean air act.





As of 9-21-2008



State Smoke-Free Ordinances

- 1973 Arizona first state to ban smoking in public places
- 1994 California workplace smoking ban
- 1998 California complete smoking ban in enclosed spaces
- 2002 Delaware and South Dakota
- 2003 New York and Florida
- 2004 Connecticut, Idaho, Maine, and Massachusetts





As of 9-21-2008



Local Kansas Smoke-Free Ordinances

2002 Salina (clean air from 5-9pm in restaurants)

- 2004 Lawrence, Hutchinson
- 2005 Abilene, Bel Aire
- 2006 Fairway, Olathe, Parsons, Roeland Park
- 2007 Garden City, Lenexa, Johnson County
- 2008 Harvey County, Hesston, Leawood, Mission, Newton, Ottawa, Overland Park, Prairie Village, Shawnee, Westwood, Wichita, Winfield

2009 Derby, Emporia, Manhattan, Wyandotte County



Evaluation of Economic Impact

Evaluated potential impact of smoke-free ordinance on:

- Total sales at restaurants and bars;
- Food and non-liquor sales at restaurants and bars; and
- Liquor sales at restaurants and bars.

Compared taxable sales:

- In three years after implementation to sales in the three years prior to its adoption, July 2001 to June 2007.
- Adjusted taxable sales for inflation using the monthly Midwest Consumer Price Index.





Total sales at restaurants and bars in Lawrence increased during first two years after ordinance was adopted in July 2004.

Trend in total sales did not change notably after adoption of the ordinance.

Food and non-liquor sales continued to increase after adoption of the ordinance. Liquor sales declined slightly and then increased.

Lawrence findings are similar to other studies: no long-term negative impact on the overall restaurant and bar industry.



Taxable Sales: Lawrence Restaurant and Bars, 2002 - 2007

Figure 1. Taxable Sales at **Restaurants and Bars in Lawrence** 180 \$160.3 \$159.7 160 \$150.7 \$147.5 \$141.5 \$142.2 140 \$136.4 \$135.0 Taxable Sales (Millions of Dollars) \$126.7 \$122.7 \$118.7 20 \$117.7 100 80 Lawrence smoke-free 60 ordinance takes effect 40 \$24.7 \$23.8 \$23.5 \$24.0 \$23.9 \$24.6 20 FY02 FY03 FY04 FY05 FY06 FY07 Fiscal Year Total Sales Food and Non-Liquor Sales Liquor Sales

Note: Total sales are food, non-liquor, and liquor sales combined. Sales have been adjusted for inflation and are in June 2007 dollars. Fiscal years are July to June.



Policy Implications

- No evidence that the adoption of a smoke-free ordinance in Lawrence had a negative impact on overall restaurant and bar sales.
- Policy makers should be careful to not generalize the experiences of individual businesses.
- There are clearly winners and losers in the restaurant and bar industry; however,
- No studies in scientific, peer-reviewed journals document a long-term, negative, community-wide impact on restaurants and bars following implementation of a smoking ban.



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